

VIEWPOINT

'Green' pallets spur great debate

The Great Pallet Debate came out of nowhere, rocked the wood pallet world, then disappeared, all in five days. The conflict pitted wood against plastic pallets. The prize: federal procurement dollars flowing to the type of pallet deemed better for the environment. Wood won.

Unfortunately, the pallet issue didn't get resolved, as a story on Page 1 shows. Its main message was political: Quick business lobbying overturned a vague government notion about green buying.

The debate started July 28, when the National Wooden Pallet and Container Association learned of a draft of a Clinton administration policy mandating procurement of plastic pallets, which the order termed "environmentally preferable."

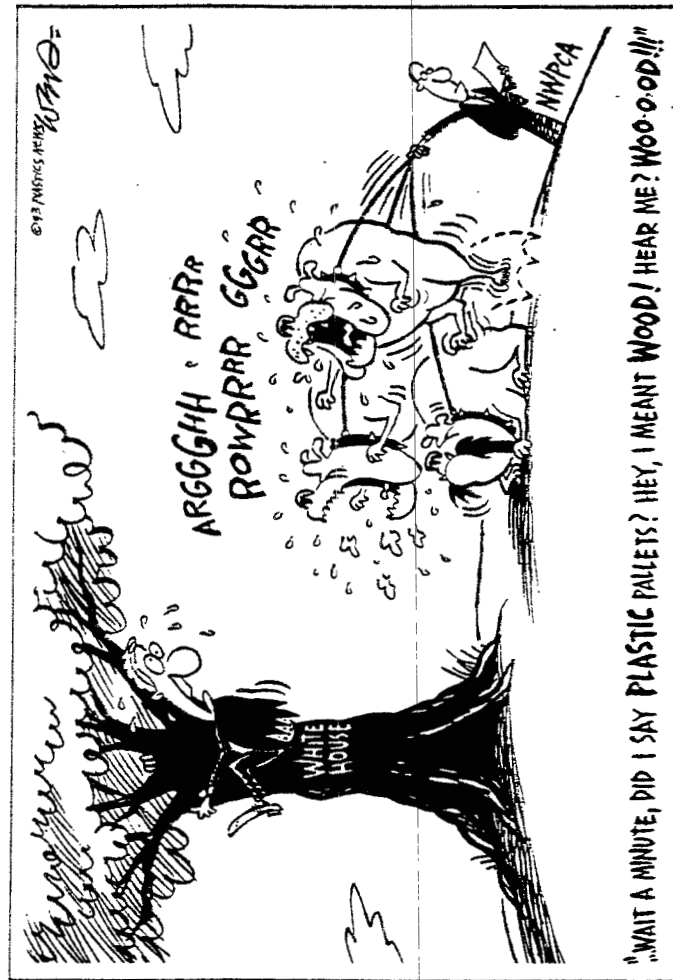
NWPCA leaders responded in textbook fashion. They drafted an alert with the addresses, and telephone and fax numbers of top Clinton officials. They urged immediate action.

Five days later, after a deluge of protests, the administration said it would delete references to plastic pallets. Or, as William Sardo, senior vice president of NWPCA, termed it: "The White House asked us to pull the dogs off them."

The plastic pallet industry was oblivious to these events, and never got involved. This experience clearly illustrates the need for plastic pallet makers to organize. This case shows that when it comes to government contracts, an organized industry has the upper hand.

What if the same provision were issued, but with the White House instead favoring wood pallets? Would plastic pallet makers have been able to mobilize as quickly and efficiently? Clearly not.

We happen to think the Clintonian plastic-pallet "bias" was not well thought



out. Plastic pallets do offer some distinct advantages, but to mandate the use of one material over another, especially without conducting research or soliciting expert opinions, is misguided.

Still, most industries would quickly exploit such government plums, misguided or not.

Right now, plastic pallet makers have four options. They can:

- Join the Plastic Products Section of the Material Handling Institute Inc., a trade group in Charlotte, N.C.;
- Join the newly formed Plastic Lumber Trade Association (provided they use plastic lumber);
- Hold their noses and join NWPCA (some already have);
- Form their own trade group.

The last option could be more difficult than it sounds given the many a

companies involved that make highly individualized types of pallets. Those pallets are often incompatible with each other. But the plastic lumber business is organizing itself in the face of similar challenges.

As delicious as it is to savor—however briefly—the irony of an environmentally motivated government directive that would have provided windfall business to part of the plastics industry, one must step back and learn from this experience.

A coalition of plastic pallet makers could advance the status of that industry as a whole. A coordinated effort to comment on and influence debates such as the one the wood people just won, and to create industrywide size standards, could help plastics make further legitimate inroads into the cutthroat pallet

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White House nixes plastic pallet plan

plastic pallets and reusable chin or ceramic dishes apparently wa written without industry input c even debate within the adminis tration, according to officials e several Washington-based indus try associations. They also sai

See White House, Page 1

USI acquires

molding plant from Berry

By Michael Lauzon

PLASTICS NEWS CORRESPONDENT

United Southern Industries Inc acquired an injection moldin plant in Forest City, N.C., that re cently was shut down by Berry

"We needed the space and few more presses," Al Tarrant spokesman for USI, said in a tele phone interview from USI's Fores City headquarters. The 94,000-square-foot facility has 11 injection presses with clamping forces of 75-700 tons. USI and Berry officials would not disclose terms of the July 25 deal.

Berry closed the Forest City See USI, Page 15

By Bill Bregar and Jonathan Gardner
PLASTICS NEWS STAFF

The Clinton administration has withdrawn a proposal that could have required the federal govern ment to buy "environmentally preferable," plastic pallets instead of wood ones, according to the National Wooden Pallet and Container Association.

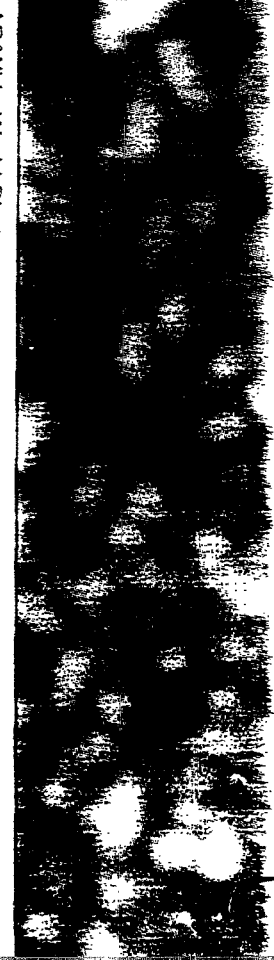
Also stricken from the proposed order was a move favoring reusable tableware over disposable polystyrene plates, according to the Polystyrene Packaging Council.

Both recent skirmishes were waged over a draft executive order aimed at boosting government buying of products that cause less environmental damage. The same passage addressed pallets and tableware.

A spokeswoman for Vice President Al Gore termed the draft order a "working document" that may be signed in the next couple of months. The White House has released no other information.

The early jockeying in Washington left one big question unanswered: How will the administration decide what products are better environmentally?

The section of the draft executive order that specified



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Plastics, Page 22

market Big Three to start Phoenix firm makes

White House mixes plan to favor plastic pallets

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that a government official who was not knowledgeable about the environmental impacts of products wrote it, based on some common misconceptions about which products are green.

The National Wooden Pallet and Container Association moved quickly after it got a draft of the original executive order from a confidential government source. The Arlington, Va., trade group issued an urgent alert July 28 to its 500 members and affiliated lumber trade groups.

At NWPCA's urging, wood pallet makers inundated Congress and the president's office with protests, said William Sardo, senior vice president of NWPCA.

Five days later, the administration agreed to delete references to plastic pallets, NWPCA said. A written promise followed.

"The White House asked us to pull the dogs off them," Sardo said. "They completely rescinded the whole thing as it was originally proposed."

According to the pallet association's alert, the order would have mandated "that plastic pallets be purchased instead of wood pallets because the Clinton administration perceives that plastic pallets

are environmentally preferable to wood pallets."

John Healy, NWPCA executive vice president, said the administration has assured him that the pallet provision would have been detected and withdrawn before it reached President Clinton's desk.

But he noted that the government source who provided a copy to him "didn't have confidence that [the administration] would have stricken it."

Sardo said "I don't know of any single person outside of the administration who was contacted."

Sam Caulfield, a distribution and pallet official with Procter & Gamble Co. in Cincinnati, said it appears the government did not do its homework. "People who aren't knowledgeable are apt to jump to the conclusion that plastic is more environmentally friendly than most other [pallet] materials, and that isn't necessarily the case," he said.

There was no active plastics industry campaign to promote plastic pallets. Plastic pallet makers are not organized into a trade association, although some firms belong to the Plastic Products Section of the Material Handling Institute Inc. of Charlotte, N.C.

The Society of the Plastics Industry Inc. in Washington said it had no knowledge of the pallet provision.

While Healy acknowledged that plastic pallets are appropriate in some limited applications, such as when sanitation is important, he said he did not see any applications for the federal government in which plastic pallets offered an advantage over wood. He contends that wood pallets are environmentally preferable because they use scrap lumber that otherwise might end up in a landfill, because they can be repaired and

in some cases, recycled.

Plastic pallet makers acknowledge their products initially are much more expensive, but insist their durability and long life reduce the per-trip cost differential between wood and plastic pallets. They also note that pallets can be made from recycled resin.

Custom-Pac Extrusions Inc., a Chagrin Falls, Ohio, plastic lumber maker, said wood pallets cost \$10-\$12, compared with \$45-\$80 for molded plastic pallets and \$25-\$30 for plastic lumber pallets.

On the foamed-plastic front, the Clinton administration apparently has eliminated a part of the section that also stated that china or ceramic plates are preferable.

Sonja Fenton, spokeswoman for the Polystyrene Packaging Council of SPI, said the industry group had been alerted to the section on disposable tableware and had spoken

Calif. bill

Continued from Page 3

panies are doing to increase recycling.

"That's a pretty valuable improvement," he said.

He also said he believes state lawmakers will approve the bill. Industry members and environmentalists alike view the Assembly Natural Resources Committee as an aggressive, pro-recycling panel.

But Roger Bernstein, APC state government affairs director, said the committee's compromise indicates its members understand that packagers face possible delays from FDA rules designed to prevent food contamination.

"They are trying to give time where FDA is a potential roadblock toward compliance," Bernstein said.

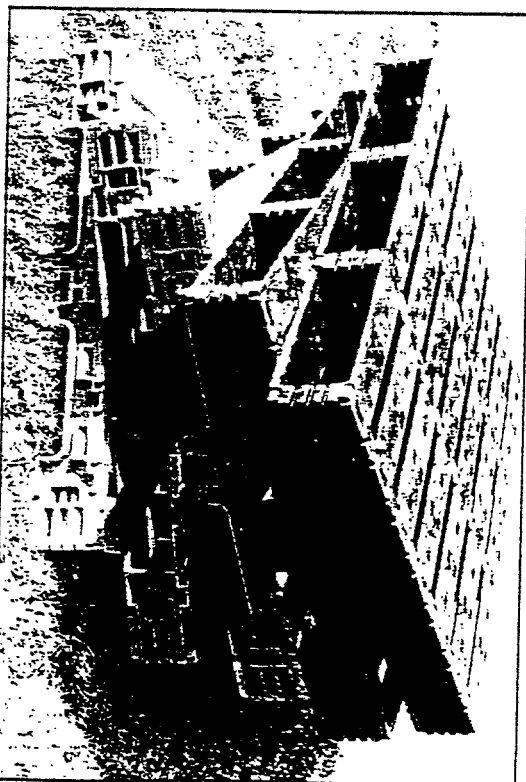


Photo courtesy of Plast-O-Foam Inc.

A White House plan would have pushed purchasing of plastic pallets, with administration officials. "They got an understanding that the drafters had already decided

extends deadline

stein said.

If the deadline is not extended, he added, "There [will be] a compliance nightmare for satisfying the goals of one state in an international marketplace."

The 1991 recycling law called for rigid plastic containers to meet a 25 percent recycling or recycled-content rate, be source-reduced by 10 percent or be refillable by 1995.

Earlier this summer, Oregon passed a law that will delay by at least one year enforcement of its recycling law, which originally was set to take effect in 1995.

A representative of one packaging end user characterized the deal as "reasonable" and said its passage may signal that the Legislature will have to work with the

to withdraw" the section because of the pressure from other industry groups, Fenton said.

try to reach recycling goals.

"I guess I'm reasonably optimistic that we're going to get in a more collaborative posture in Sacramento," said Terry Betell, environmental packaging manager for Clorox Co. in Oakland. "I think it's obvious to everybody involved that this adversarial relationship is not working."

But for end users that market products other than food or drugs, complying still will be tough.

Melinda Sweet, environmental affairs director for Lever Bros. Co., a New York-based detergent manufacturer, said her company probably will not be able to meet the law's recycling or recycled-content mandates, so it may try to comply through source-reduction or refill.

USI acquires molding unit from Berry

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plant July 6 because the firm will save money by moving the production to its three other, more modern molding plants, said Martin Imbler, Berry's president. Berry acquired the facility, its